



Stone Tower Debt Advisors  
152 West 14th Street, New York, New York 10011  
Tel: 212.267.0492 Fax: 212.267.0494

Lehman Brother's Special Financing Inc.  
c/o Lehman Brothers Inc.  
Collateralized Debt Obligation  
745 Seventh Avenue  
New York, NY 10019  
Attn: Documentation Manager

Copy to:  
Lehman Brothers Inc.  
745 Seventh Avenue  
New York, New York 10019  
Attn: Structured Products Transaction Group/Jonathan Lai

*Loan Notice*

RECEIVED DEC 16 2008

*Hand*

022107PEBB

September 19, 2008

***Notice of Early Termination***

We refer to the 1992 ISDA Master Agreement (the "Master Agreement") dated as of March 22, 2007 between Pebble Creek LCDO 2007-2, Ltd. ("Counterparty") and Lehman Brothers Special Financing Inc. ("Lehman"). All capitalized terms not otherwise defined in this notice shall have the meanings assigned to them in the Master Agreement.

Stone Tower Debt Advisors LLC, as the Portfolio Manager hereby gives notice on behalf of the Counterparty that as a result of the existence of the events specified in Section 5(a)(vii)(4), an Event of Default has occurred under Section 5(a)(vii) of the Master Agreement and such Event of Default is still continuing.

Pursuant to Section 6(a) (*Right to Terminate Following Event of Default*) of the Master Agreement, Counterparty hereby designates September 19, 2008 being a date not more than 20 days from the date of this letter, as the Early Termination Date in respect of all outstanding Transactions.

On or as soon as reasonably practicable following the Early Termination Date, Counterparty will provide you with a statement in accordance with Section 6(d)(i) (*Statement*) of the Master Agreement specifying the payments due in relation to the Early Termination Date.

Also, in accordance with Section 12(a) (*Effectiveness*) of the Master Agreement, this notice is being sent by courier and certified mail during normal business hours and will be deemed effective today.

This notice shall be governed by and construed in accordance with New York law. Counterparty reserves all rights and remedies provided to it in the Master Agreement or otherwise.

Yours faithfully,

PEBBLE CREEK LCDO 2007-2, LTD.

By: Stone Tower Debt Advisors LLC, as the Portfolio Manager

By: 

Name: William J. Sheoris

Title: Senior Managing Director and Chief Financial Officer

cc: To the persons listed on Schedule A

**Schedule A**

Citibank, N.A.  
388 Greenwich Street, 14<sup>th</sup> Floor  
New York, New York 10013  
Attn: Agency & Trust (Pebble creek LCDO 2007-2, Ltd.)

Pebble Creek LCDO 2007-2, Ltd.  
c/o Deutsche Bank (Cayman) Limited  
P.O. Box 1984  
George Town, Grand Cayman KY1-1104  
Cayman Islands  
Attn: Directors

Maples and Calder  
P.O.Box 309GT  
Ugland House  
South Church Street  
George Town, Grand Cayman  
Cayman Islands  
Attn: Dale Crowley

Pebble Creek LCDO 2007-2, LLC  
c/o Deutsche International Corporate Services (Delaware) LLC  
1011 Centre Road, Suite 200  
Wilmington, Delaware 19805  
Attn: Elizabeth B. Ferry